



**Armed Forces Retirement Home
Chief Operating Officer
3700 N. Capitol Street, Box 1303
Washington, DC 20011-8400**

December 2, 2005

MEMORANDUM FOR ALL AFRH GULFPORT EMPLOYEES

Subject: AFRH-Gulfport Employee Meeting Notification - December 7, 2005

As you know, many changes have occurred in our organization since Monday, August 29th – the day Hurricane Katrina hit the Gulf Coast. Organizationally I am proud to say that we, as a team, have responded to the needs of the Gulfport residents in a truly exemplary manner. This is something each employee should all be proud of. Most residents were evacuated within 24 hours of the hurricane and relocated to a safe environment in Washington, DC. This major accomplishment was achieved through the combined efforts and dedication of the Gulfport and Washington staff members, fellow Washington residents, many volunteers and donations well beyond anyone's expectation. In the days and months after the storm, we have successfully provided our Gulfport residents with shelter, meals, medical and support services and we have made every effort to return normalcy to their lives. Our best estimate is that it will be at least 18 months before residents can consider returning to Gulfport.

As a result of the hurricane devastation, each Gulfport employee was either directly affected or had someone close to them directly affected by the storm. As an organization, we felt it absolutely imperative that we try to maintain a stable revenue flow to each employee for as long as possible. Although there were rumors of possible "furloughs," our official posture has been that each employee would remain on "Administrative Leave" until further notice. Another rumor that circulated was that the President authorized 60 days of "Administrative Leave," again this was a rumor, there were no Executive Orders documenting any specific amount of "required" authorized Administrative Leave.

Throughout these difficult days our Agency's goal was to keep employees in a "pay" status for as long as possible, knowing full well that Administrative Leave could not go on indefinitely. Since I have a fiduciary responsibility to the residents of the AFRH to preserve the Trust Fund which directly supports them, I have made the difficult decision to conduct a RIF with an effective date of February 18, 2006. Please know that as we planned for the upcoming RIF that we did coordinate and seek guidance from the Department of Defense and the Office of Personnel Management (OPM). We have recently requested Voluntary Early Retirement Authority (VERA) from OPM which will allow many Gulfport employees the option to elect early retirement, if they so choose. Our Agency's VERA request is currently with OPM and we will notify employees as soon as we have received approval.

On Wednesday, December 7, 2005 there will be a meeting for all Gulfport employees at the AFRH-Gulfport facility (1800 Beach Drive) in the dining area. The meeting will begin at 10:00am. This is an important meeting and all employees should attend. At that time employees occupying certain positions will receive Reduction-in-Force (RIF) notices. Mr. Brock Fowler, our HR Director, will be on-site as well as two representatives from the Bureau of Public Debt (BPD). One of the two individuals from BPD is a benefits specialist who will provide an overview of the benefits available to individuals affected by RIF actions.

In the very near future, AFRH will also be providing (via contract) additional training in the areas of resume writing, how to look and apply for jobs, and also interviewing skill. Additionally, in early January 2006, the BPD representatives will return to Gulfport to provide in-dept assistance to RIF'd employees regarding their specific concerns. Our goal is to help employees affected by RIF in any manner we can. Employees who receive RIF notices may be eligible for severance pay, retirement pay, or unemployment compensation. Employees who will be eligible for Unemployment Compensation may file for Unemployment Compensation effective February 18, 2006, which will be the effective date of the RIF. Requests for Unemployment Compensation requesting compensations prior to that date have been and will be denied, since each employee will be in a pay status until February 18th. Employees who receive RIF notices should also be aware that they will have return rights to the facility, following the conditions outlined in RIF procedures.

Please note that not all positions are being RIF'd. Certain positions have been identified that will be retained in order to support the integrity and infrastructure of the facility. Employees should also be aware that there are some new positions that need to be established as a result of conditions caused by Hurricane Katrina. These new positions will be competed and all qualified employees are encouraged to apply for these new positions when they are advertised. A few of these positions will be in located in Washington, but most will be located in Gulfport.

This is not an easy time and we need to help each other make appropriate decisions. The Agency had no control over the Hurricane or the devastation it caused, but we as an Agency can certainly try to provide you any assistance you need in seeking and obtaining further employment. By the effective date of the RIF, February 18th, the AFRH will have authorized most employees 5 and a half months of paid Administrative Leave. This has been a truly unique occurrence, and we hope that this extended period of leave has allowed each employee a period to stabilize themselves and their families and to move forward in a positive manner.



Timothy C. Cox
Chief Operating Officer